



The Public Service Commission State of South Carolina

JUSTIN T. WILLIAMS
COMMISSIONER, SIXTH DISTRICT

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February 1, 2019

The Honorable Wendell G. Gilliard
South Carolina House of Representatives
328B Blatt Bldg.
Columbia, SC 29201

Dear Representative Gilliard,

I am writing this letter to you for your situational awareness. During the Commission Business Meeting held on January 30, 2019, I moved that commission staff work with the Office of Regulatory Staff to schedule an allowable ex parte briefing regarding Dominion's \$1,000 rebate offer and its impact on the ratepayer. I know this is a concern you raised in your letter to the Public Service Commission dated January 14, 2019.

Enclosed with this letter you will find an excerpt from the meeting transcript as well as the directive based on my motion. I would imagine the allowable ex parte briefing would take place some time in March. Please reach out to Jocelyn Boyd, Chief Clerk of the Public Service Commission, or the Office of Regulatory Staff if you have any questions.

Sincerely,

Justin Williams
Commissioner, Sixth District

c: The Honorable Jerry N. Govan
South Carolina House of Representatives
530B Blatt Bldg.
Columbia, SC 29201

All parties of record in Docket No. 2017-207-E
All parties of record in Docket No. 2017-305-E
All parties of record in Docket No. 2017-370-E

Enclosures

MR. PRATT: Mr. Chairman and members of the Commission, we have one Supplemental Utilities item today. It involves our nuclear dockets, 2017-207-E, 2017-305-E, and 2017-370-E, and it concerns customer education.

COMMISSIONER WILLIAMS: Mr. Chairman.

CHAIRMAN RANDALL: Commissioner Williams.

COMMISSIONER WILLIAMS: Thank you, Mr. Chairman.

On or about January 11, 2018, Dominion Energy and SCANA Corporation gave an allowable *ex parte* presentation to this Commission regarding a merger plan that included a proposal of a \$1000 cash-back rebate to the average ratepayer as a part of the merger.

During the course of 2018, Dominion Energy advertised the \$1000 cash-back proposal throughout South Carolina through various means of communication. In fact, the Public Service Commission received approximately 579 prefabricated postcards and form letters in support of the merger, the great majority of which stated support for the merger was in exchange for a \$1000 cash-back option. Those postcards and letters are available for public viewing under Docket 2017-370-E.

Through the course of the hearing on the

aforementioned dockets, the combined hearing, I was concerned that no party advocated for the \$1000 cash-back option. As such, I asked a Dominion witness about how they were going to address the fact that they made an offer for \$1000 that they may not keep.

I'm reading from the combined hearing transcript, page 3221 -- three thousand two hundred and twenty-one -- starting at line 25, and I'm quoting here:

"And, when we hear these advertisements of \$1,000, I would submit to you -- and maybe you know, maybe you don't know -- that there may be some people in District 6 that have already spent that \$1,000. And, if this merger were to be approved, there may be some hurt feelings for some folks in District 6 and maybe for every district here if they come to find out that...thousand dollars is not coming. And so to Commissioner Whitfield's question -- because I don't know if I really understood your answer -- what do we tell these people if...this merger were to be approved and yet again they feel as if they've been duped/they've been had. How...would you propose to explain that?"

And this is the answer by the Dominion witness, Mr. Farrell: "That's a...very fair question, and it will be our responsibility to do that. ...we proposed

Alternative B. You did not. We proposed it. We own it. We will communicate [to] the customers that this is in the best interest of the Company and the customers going forward to get their rates down. And I'm not saying it very artfully, sir, but we have -- we will work very hard to carry that out. But it would...be our responsibility, not ORS's responsibility, and it's not going to be the Commission's responsibility."

And I ended there on page 3223, line one.

The merger closed on January 1, 2019. On January 2, 2019, SCANA filed a letter with an attached seven-page enclosure referenced as Exhibit 1 and entitled the *Customer Education Program for Merger with SCANA*. I question whether this Customer Education Plan, as filed, will answer the question I imagine is most important that ratepayers have in their mind. I imagine this question to be, "Where is my check?"

I believe it may be more to my imagination, considering that -- or, it may be more than my imagination, considering that on January 14th, this Commission received a letter from a member of the South Carolina House of Representatives regarding advertisements of \$1000 rebate checks if the merger closed. The merger closed, and no one received a

\$1000 refund check.

I'm concerned that such unfulfilled promises further damage the already damaged public trust in government and business. I'm further concerned that such unfulfilled promises made by an organization under the jurisdiction of the South Carolina Public Service Commission demands that this Commission ask more questions.

As such, I move that Staff work with the Office of Regulatory Staff to schedule an allowable *ex parte* hearing within the next 30 days to address the following questions:

- What was the public perception of the \$1000 cash rebate advertisement;
- What is the efficacy of Dominion's Customer Education Plan to address ratepayer distrust in this process;
- What, if any, level of social responsibility does a utility have when communicating offers of cash rebates to ratepayers under the Commission's jurisdiction; and
- Any other questions or issues that the Office of Regulatory Staff deem necessary to help rebuild the public trust.

So moved, Mr. Chairman.

CHAIRMAN RANDALL: Thank you.

You heard Commissioner Williams' motion. Are there questions or comments?

COMMISSIONER WHITFIELD: Mr. Chairman.

CHAIRMAN RANDALL: Yes, sir.

COMMISSIONER WHITFIELD: Mr. Chairman, I would certainly note what Commissioner Williams has cited in the transcript -- he and I had a quite lengthy exchange with the CEO of Dominion, as he referenced in the transcript. And with that, I would certainly support Commissioner Williams' motion.

CHAIRMAN RANDALL: Thank you, Commissioner Whitfield.

Any other questions or comments?

[No response]

If not, all in favor, please say "aye"?

COMMISSIONERS: Aye.

CHAIRMAN RANDALL: All opposed, "no"?

[No response]

The motion carries. Thank you.

RECORDED BY: J. Schmieding

ACCEPTED FOR PROCESSING - 2019 January 30 7:10 PM - SCPSC - 2017-370-E - Page 1 of 2

Supplemental Agenda Item 1

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER	<input type="checkbox"/>	DATE	<u>January 30, 2019</u>
MOTOR CARRIER MATTER	<input type="checkbox"/>	DOCKET NO.	<u>2017-207-E/2017-305-E</u>
UTILITIES MATTER	<input checked="" type="checkbox"/>	ORDER NO.	<u>2017-370-E</u>
			<u>2019-100</u>

THIS DIRECTIVE SHALL SERVE AS THE COMMISSION'S ORDER ON THIS ISSUE.

SUBJECT:

DOCKET NO. 2017-207-E - Friends of the Earth and Sierra Club, Complainants/Petitioners v. South Carolina Electric & Gas Company, Defendant/Respondent;

DOCKET NO. 2017-305-E - Request of the Office of Regulatory Staff for Rate Relief to South Carolina Electric & Gas Company's Rates Pursuant to S.C. Code Ann. § 58-27-920;

-and-

DOCKET NO. 2017-370-E - Joint Application and Petition of South Carolina Electric & Gas Company and Dominion Energy, Incorporated for Review and Approval of a Proposed Business Combination between SCANA Corporation and Dominion Energy, Incorporated, as May Be Required, and for a Prudency Determination Regarding the Abandonment of the V.C. Summer Units 2 & 3 Project and Associated Customer Benefits and Cost Recovery Plans - Staff Presents for Commission Consideration a Request by a Commissioner for the Office of Regulatory Staff to Evaluate and Report on Dominion Energy, Incorporated's Customer Education Plan.

COMMISSION ACTION:

Move that Staff work with the Office of Regulatory Staff to schedule an allowable ex parte hearing within the next 30 days to address the following questions: What was the public perception of the \$1000 cash rebate advertisement? What is the efficacy of Dominion's Customer Education Plan to address ratepayer distrust in this process? What, if any, level of social responsibility does the utility have when communicating offers of cash rebates to ratepayers under the Commission's jurisdiction? And any other questions or issues that the Office of Regulatory Staff deem necessary to help rebuild the public trust.

PRESIDING: Randall SESSION: Regular TIME: 2:00 p.m.

	MOTION	YES	NO	OTHER
ELAM	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ERVIN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HOWARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RANDALL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WHITFIELD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WILLIAMS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>